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NOTES AND COMMENTS.

I.

ECONOMIC PESSIMISM.

I BEG to paraphrase, in some slight measure, the recent communication from Mr. Datus C. Smith, upon "Economic Optimism," while at the same time answering the criticisms which he has made upon some of my work.

Every thoughtful man, as Mr. Smith well says, "sees at the present time a great and growing body in our population, who are not only dissatisfied with their position in the social order," but who are determined to change it, by one means or another, without much regard to the nature of things. They are perfectly honest in their intention, so far as the main body are concerned, but are groping their way in the dark and are, therefore, liable to misuse the power with which they are endowed, greatly to their own injury. This danger has at length attracted attention to the subject of political economy in a way that never has happened before, and the natural result is a flood of economic discussion, which cannot fail to be ultimately only beneficial. The contributors to this discussion may be divided into two general classes :

1st. Those who are the true builders of the new political economy, who are endeavoring to study facts and to find out in what way our existing institutions have been evolved from those of the past, in order that they may lay the foundations of economic science broad and deep, and may raise a structure of undoubted strength.

2d. Those who build a system on *a priori* theory, and who disregard facts ; or who, when the facts are placed before them, are either incapable of understanding them, or else misinterpret their meaning. The latter class object to statements being printed which show how truly prosperous this country might be and is, so far as production is concerned ; because, if they were to admit the conditions of general prosperity, they would be obliged to attribute want in the midst of plenty to faults which are personal, rather than public or institutional. Their panacea is legislation.

I think no economist has drawn more urgent attention to the adverse conditions of many of the inhabitants of this country than myself ; and it may not be imputed to me as "economic optimism" that I have proved how remediable these adverse conditions may be, if those who attempt to remedy wrongs would begin at the right end ; *i. e.*, by undertaking to show those who suffer want how they might improve their own condition or that of their children, if *they themselves* would take the proper course. The effect of imputing want in the midst of welfare to other causes may be very pernicious.

Mr. Smith takes exception

1st. To my method of showing what an abundance of food we now produce and how small an area of territory we make use of in so doing. He says that in

one place I have put the area of land now in use for the production of articles of food at 302,500 square miles ; in another place at only 265,000. He is wrong in the first statement, but right in the second ; he, however, overlooked the fact that the second statement is manifestly either a misprint or a miscopy of my own. On the page of the Century Magazine opposite the one in which this error occurred the exact facts are given ; and if he had read the article carefully he would have observed that in the 302,500 square miles once named is included the cotton field, estimated at 20,000 ; deducting this, the area devoted to food other than pastures, is 282,500 square miles. An unfortunate misprint makes it about 265,500. In point of fact, however, the latter figure is nearer the mark than the actual figures. If we were to deduct from the actual area in use for the production of grain and other articles of food, all the farms which are so wretchedly cultivated as to yield only seven to nine bushels of wheat per acre or nine to twelve bushels of corn (meagre crops which are not uncommon in the Southern States), it would appear that the great abundance of our food crops comes from less than 200,000 square miles of our territory out of at least 1,500,000 square miles of good arable land.

2d. In regard to cotton, Mr. Smith objects to taking the year 1865 as a basis for comparison, because in that year the crop was only 500,000 bales, as given by Mr. Nimmo,

I did not take the crop year 1865 as a basis ; I took the crop known as the crop of 1865-6, raised immediately after the war, of which the figures are given, showing the marvelous start which ensued after the war and the yet more wonderful progress since. The ante-war crops of twenty-one years are given in the same article ; and it is open to Mr. Smith or to any one else to select any date which he chooses to take for purposes of comparison.

In order to meet some other carping criticisms of this kind, I have prepared another table showing the progress in crops and other matters since 1870.

I will not send this, because it would be much better for my critic to make a few computations himself. All the facts are given by me as to the increase of certain specified products. If he will compare each five years with the next he will soon discover that the common or necessary means of subsistence have increased in much greater measure than population since 1865. Somebody has consumed the excess—who is it ? Have the rich gobbled up all the corn, cotton, iron, etc., etc. ? If not, where is it ? Who has enjoyed it ?

Undoubtedly, Mr. Smith can indicate a few, especially in every great city, who have not shared the increase. Whose fault is it ? Can one help those who cannot help themselves, except by dealing with them personally ? Are ignorance, laziness, and vice remediable by legislation ? Are a few very poor because the many prosper ? If there is enough and to spare for all, is it optimism to prove it, in order that the true remedy for want may be found, and that discontent may not be increased from the want of consideration of facts by superficial thinkers ?

3d. Mr. Smith objects to the use made of the prices of Government bonds, and to the computation of interest upon them, by which it appears that \$100 in gold coin invested in such bonds yielded at one period 16 and 66-100 per cent. interest. This is a fact ; it can be taken for what it is worth.

If it is desirable to consider other elements in the case, it may be safely stated that capital considered simply as capital can secure to itself now only one-half as much interest as in 1860 ; we will omit the comparison with the period of war and inflation, because the issue of inconvertible paper money not only defrauds the people who use it, but enables an astute writer to misuse statistics so that the figures lie even more than is their common habit when compiled by people who do not know what they mean.

4th. Mr. Smith objects to my computation of the value of the hens' eggs of the United States, and to the comparison of this value with the wool clip, the product of pig-iron, etc.

I think he may rightly take exception to my computation. It is now an accepted fact, well proved by many recent observations, that the average consumption of hens' eggs is greater than that of the factory operatives of New England, *i. e.*, more than one egg every other day, and at a higher price than twelve cents a dozen; I will admit the fact, if he chooses to take exception to my previously carefully guarded statement, that the consumption of hens' eggs is now considerably over \$100,000,000 worth a year, and that the animal value of the poultry and eggs combined is greater than that of pig-iron, wool, and silver combined.

5th. Mr. Smith objects to my statement of the "modern miracle of the loaf," and he pronounces it *graphic nonsense*.

He evidently does not comprehend the subject of which he treats. I have ascertained what the facts are at the present time. So effective has agricultural machinery become on some of the Northwestern farms as to render only 300 days' work necessary for the production of 5,500 bushels of wheat; *i. e.*, three men working 100 days each during the harvest season. Leaving 1,000 bushels for seed, 4,500 bushels suffice for 1,000 barrels of flour. I stated that the milling and barreling of 4,500 bushels of wheat when converted into 1,000 barrels of flour required only the equivalent of 300 days' work of one man. It now requires less. Since that article was written, the movement of the wheat from Dakota to New York has been reduced to less than the equivalent of two men's work for 300 days. Therefore, the machinery of the farm, the flour mill, and the railway has become so effective that 1,000 barrels of flour can now be placed at the mouth of the bakers' oven in New York, with an amount of labor of men corresponding to less than 300 days' work of four men. I am prepared to prove these statistics by citation of all the authorities; therefore the modern miracle of the loaf is not "*graphic nonsense*," but is a solid fact.

6th. The last point to which Mr. Smith takes exception is my computation of what has been saved by the effective service of the railway, measured by the charge on a barrel of flour from Chicago to New York. I did not put this saving high enough. In 1865 the railway service was very incomplete and had not become consolidated. It is very true, as Mr. Smith remarks, that under such conditions very little flour was moved from Chicago to New York, *all rail*. It became necessary to make use of the slow and tedious service of the canal system at a much less rate of charge than the railway lines; but Mr. Smith makes no computation of insurance, interest, time, and labor lost on the canal; admitting, however, that the canal service was cheaper than the railway service, yet my comparison holds good. Very little flour could reach the canal or the water ways compared to what is now carried by rail; and when the charge for moving by wagon from the farm to the water way was added to the canal charge the cost of transporting flour 1,000 miles was then, in 1865, as great as or greater than the charge which I computed as the rate of 1865, had it all been carried by rail. The fact is that the railway service has made a greater gain to the people than can be represented by a mere reduction of their own charges, huge as that reduction has been.

The greater part of the food which is now brought from the West to the East could not be moved at all except for the railway, and the charge has been reduced to such a point that although the New York Central Railroad pays taxes to the State of New York in larger amount than the sum required to keep the Erie Canal in operation, it beats the canal. I have suggested to Mr. Smith that the

next time he takes exception to statements of fact he should find out for himself what the facts are, and I submit the following proposition :

At the present time the average rate of wages in the United States in nearly every art which is of any material importance is higher than ever before ; higher even, with very few exceptions, than at the worst period of paper money inflation in 1865, '66, and '67. On the other hand, the prices of the necessities of life are lower than they have been since 1840. If we compute wages both in rate and in purchasing power, men of special skill and aptitude who are now occupied as foremen, overseers, or in the very highest departments of the mechanic arts, are 100 per cent. better off than at the date named, for comparison, to wit : 1865-'67. The average mechanic or artisan is 75 per cent. better off. The common laborer is 65 per cent. better off. There has been a short period during the last five years when a good many common laborers were out of employment owing to the sudden cessation of railway building between 1882 and 1884. In the same period a very small portion of the operatives in iron works and other artisans found it difficult to obtain work. The number unemployed was, I think, much exaggerated. That period has gone by. There is work now waiting to be done for every industrious man or woman who will accept the conditions on which it is offered ; and those conditions are, as a rule, better than they ever were before, the exceptions being in some of the most crowded parts of a few large cities. If, then, there is want in the midst of plenty, it may neither be imputed to institutions, to an undue share falling to capital, nor to obstructive statutes in any great measure. It is due in most cases either to physical disability, accidental misfortune, or to mental incapacity, or unwillingness to undertake the kind of work that is waiting to be done. Undoubtedly there are many forms of wrong which are now sustained by National or State legislation which tend to a distribution of product which is not equitable, and the wasteful taxation of cities is a prime cause of city pauperism. The common undertaking in order to remedy these wrongs is to promote additional legislation. We might go on in this way, as they did in Great Britain, until at one period in the early part of this century there were 2,000 acts unrepealed on the statute books of Great Britain for the regulation of trade, commerce, industry, and labor. Then came the true remedy, which led Buckle to say something like this : That the greatest progress in human welfare, which had been made in modern times, had come by the repeal of statutes for the regulation and direction of industry, much more than by the enactment of others directed to the same purpose.

What is needed is a basis of fact either for the enactment or the repeal of laws. Had the true financial relation of this country to others been fully comprehended at the beginning of the Civil War, and had the ability of the people to bear taxation been fully considered, the country might have escaped all the vicious results of the legal tender act, and, in such event, would doubtless have been free from debt at the present time.

Is it not unreasonable to compute the cost of the depreciation of the substitute for true money issued under the name of *legal tender notes*, at the full amount of the outstanding unpaid obligations of the United States ?

EDWARD ATKINSON.

II.

MR. BOUCICAULT ON OPERA.

MR. BOUCICAULT's great and long-proven abilities as an actor and dramatist give weight and authority to his opinions on any subject connected with the stage. It is, therefore, not without much diffidence that I find myself unable to agree with some of the statements and conclusions in his article on "Opera" in the April